



# House of Representatives

## File No. 559

General Assembly

February Session, 2012

**(Reprint of File No. 355)**

Substitute House Bill No. 5483  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 20, 2012

### **AN ACT CONCERNING COVERAGE OF TELEMEDICINE SERVICES UNDER MEDICAID.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2013*) (a) (1) As used in this  
2 section, "telemedicine" means the use of interactive audio, interactive  
3 video or interactive data communication in the delivery of medical  
4 advice, diagnosis, care or treatment, and includes the types of services  
5 described in subsection (d) of section 20-9 of the general statutes and  
6 42 CFR 410.78(a)(3). "Telemedicine" does not include the use of  
7 facsimile or audio-only telephone.

8 (2) "Clinically appropriate" means care that is (A) provided in a  
9 timely manner and meets professionally recognized standards of  
10 acceptable medical care; (B) delivered in the appropriate medical  
11 setting; and (C) the least costly of multiple, equally-effective  
12 alternative treatments or diagnostic modalities.

13 (b) The Commissioner of Social Services may establish a  
14 demonstration project to offer telemedicine as a Medicaid-covered

15 service at federally-qualified community health centers. Under the  
16 demonstration project, in-person contact between a health care  
17 provider and a patient shall not be required for health care services  
18 delivered by telemedicine that otherwise would be eligible for  
19 reimbursement under the state Medicaid plan program, to the extent  
20 permitted by federal law and where deemed clinically appropriate.

21 (c) The Commissioner of Social Services may establish rates for cost  
22 reimbursement for telemedicine services provided to Medicaid  
23 recipients under the demonstration project. The commissioner shall  
24 consider, to the extent applicable, reductions in travel costs by health  
25 care providers and patients to deliver or to access health care services  
26 and such other factors as the Commissioner of Social Services deems  
27 relevant.

28 (d) The Commissioner of Social Services may apply, if necessary, to  
29 the federal government for an amendment to the state Medicaid plan  
30 to establish the demonstration project.

31 (e) The transmission, storage and dissemination of data and records  
32 related to telemedicine services provided under the demonstration  
33 project shall be in accordance with federal and state law and  
34 regulations concerning the privacy, security, confidentiality and  
35 safeguarding of individually identifiable information.

36 (f) The commissioner shall submit a report, in accordance with  
37 section 11-4a of the general statutes, on any demonstration project  
38 established pursuant to this section to the joint standing committees of  
39 the General Assembly having cognizance of matters relating to  
40 appropriations and human services. The report shall concern the  
41 services offered and the cost-effectiveness of the program.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 13 \$</b>	<b>FY 14 \$</b>
Social Services, Dept.	GF - Cost	Indeterminate	Indeterminate

Note: GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The bill permits the Department of Social Services (DSS) to establish a demonstration project to offer telemedicine services as a Medicaid-covered service at federally-qualified health centers. The bill may result in a cost to the DSS if a demonstration project is implemented. The cost of the project is indeterminate and would be dependent on yet to be established rates and program utilization. This service is not and has not been a Medicaid-covered service; therefore data on cost is not currently available.

House "A" made the following changes which do not result in a fiscal impact: 1) various technical and conforming changes 2) removed the requirement that the Department of Social Services establish rates and regulations in consultation with the Department of Public Health, and 3) removed the reporting deadline and instead requires a report should a demonstration project be implemented.

#### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5483 (as amended by House "A")\******AN ACT CONCERNING COVERAGE OF TELEMEDICINE SERVICES UNDER MEDICAID.*****SUMMARY:**

To the extent permitted by federal law, and where deemed clinically appropriate, this bill authorizes the Department of Social Services (DSS) to establish a demonstration project at federally-qualified community health centers. The project would provide Medicaid-covered health care services by telemedicine in place of in-person contact between a patient and health care provider. Under the bill, "telemedicine" means the use of interactive audio, video, or data communication, other than facsimile and audio-only telephone transmissions, in the delivery of medical advice, diagnosis, care, treatment, or similar services.

The bill also:

1. authorizes the DSS commissioner to follow existing procedures to ensure the project's services are covered by Medicaid and to set reimbursement rates for telemedicine procedures,
2. subjects personally identifying telemedicine data and records to state and federal confidentiality laws, and
3. requires the commissioner to report to legislative committees on telemedicine services offered and their cost-effectiveness.

\*House Amendment "A":

1. substitutes the term "clinically appropriate" for "medically appropriate," but leaves the definition unchanged;

2. allows, rather than requires, the DSS commissioner to establish Medicaid reimbursement rates for telemedicine, eliminating requirements that he (a) set rates by regulation and (b) consult with the Public Health commissioner; and
3. eliminates the deadline for DSS to file a report with legislative committees.

EFFECTIVE DATE: January 1, 2013

### **DEMONSTRATION PROJECT**

The project targets individuals who have difficulty gaining access to, or paying for, primary care.

#### ***Clinically Appropriate***

Under the bill, “clinically appropriate” means care that is (1) provided in a timely manner and meets professionally recognized standards of acceptable medical care; (2) delivered in the appropriate medical setting; and (3) the least costly of multiple, equally effective alternative treatments or diagnostic modalities.

#### ***Federal Approval***

If necessary, the bill authorizes the DSS commissioner to file a state plan amendment with federal Medicaid officials to ensure that the demonstration project’s telemedicine services will be covered. By law, he must notify the Human Services and Appropriations committees before submitting it to the federal officials.

#### ***Rate-Setting***

The bill also allows the DSS commissioner to establish reimbursement rates for telemedicine service providers. He must consider, to the extent applicable, reductions in how far patients’ and health care providers’ travel to receive or provide treatment, and may take into account other factors he deems relevant.

#### ***Privacy Protections***

The bill subjects telemedicine transmission, storage, and

dissemination of data and records to federal and state law and regulations governing the privacy, security, confidentiality, and safeguarding of individually identifiable information.

**Report**

The bill requires the commissioner to submit a report to the Appropriations and Human Services committees concerning the services offered and the program's cost effectiveness. It does not set a deadline for doing so.

**BACKGROUND*****Federally Qualified Community Health Centers***

Federally qualified community health centers are non-profit or public health care organizations that provide comprehensive primary care and supportive services to medically underserved populations. These include low-income people, the uninsured, those who speak little or no English, and the homeless. Fees are adjusted based on ability to pay.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/22/2012)